

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – July 24, 2006

South American Gold and Copper Company Limited Announces Financing for Restarting Operations at Pimenton

Toronto, Ontario, Canada - South American Gold and Copper Company Limited (the "Company")(TSX – SAG) is pleased to announce that it has signed a letter agreement with Springpark Holdings Ltd. ("Springpark"), a British Virgin Islands company, for the sale to Springpark of a 49.9% interest in the Pimenton gold mine. Springpark will have no interest in the porphyry copper deposit at Pimenton. Under the terms of the letter agreement, the purchase price to be paid by Springpark directly into Compañía Minera Pimenton will be a minimum of US \$8,000,000 and a maximum of US \$9,500,000 .

The Company is also pleased to announce that, subject to regulatory approval, it will undertake a non-brokered private placement ("Offering") of up to 34,000,000 common shares at a price of CDN \$0.05 per share for aggregate gross proceeds to the Company of a minimum of US \$1,000,000 and a maximum of US \$1,500,000.

Aggregate proceeds from the Offering and the sale to Springpark of up to US \$10,500,000 together with existing IVA tax credits amounting to approximately US \$1,800,000 will be used to restart operations at the Pimenton mine and mill, substantially upgrade the mining equipment at Pimenton and to conduct a mine exploration/development program which will enable the mine to begin production within five months from the start of the mine development program. Production will be progressively ramped up thereafter to reach a production operating level of approximately 47,000 gold ounces per year and, with copper credits (using US \$525 per ounce of gold and US \$2.50 per pound of copper), of approximately 60,000 gold equivalent ounces in nine to ten months after the start of the mine development program. The Company's plan is to progressively increase production up to in excess of 100,000 gold equivalent ounces in the future.

Completion of the above transactions is subject to final approval by the Toronto Stock Exchange as well as the normal and customary documentation between the Company, Compañía Minera Pimenton and Springpark.

The Company anticipates completion of the Offering in August 2006 and the completion of the sale to Springpark on or before October 31, 2006.

Stephen W. Houghton, President and Chief Executive Officer stated, "We are very excited about working with Springpark Holdings Ltd. The Board of Directors of the Company has reviewed several alternative proposals brought forth by other companies and believes this transaction is in the best interest of the shareholders of the Company."

South American Gold and Copper Company Limited is a minerals producing, exploration and development company with properties and activities currently focused in Chile.